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JEFFERSON DAVIS PARISH SHERIFF
(As Ex-Officio Parish Tax Collector)
Jennings, Louisiana

Financial Statements and Independent
Auditor's Reports
As of and for the Year Ended June 30, 2001

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 1/14/02

JEFFERSON DAVIS PARISH SHERIFF
(As Ex-Officio Parish Tax Collector)
Jennings, Louisiana

Financial Statements and Independent
Auditor's Reports
As of and for the Year Ended June 30, 2001

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INDEPENDENT AUDITOR'S REPORT

HONORABLE RICHARD EDWARDS, JR.
JEFFERSON DAVIS PARISH SHERIFF AND
EX-OFFICIO PARISH TAX COLLECTOR
Jennings, Louisiana

I have audited the accompanying statement of assets and liabilities arising from cash transactions of the Tax Collector Agency Fund of the Jefferson Davis Parish Sheriff, a component unit of the Jefferson Davis Parish Police Jury, as of June 30, 2001, and the related statement of collections, distributions, and unsettled balances for the year ended. These financial statements are the responsibility of management of the Jefferson Davis Parish Sheriff. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

As described in Note 1, the Jefferson Davis Parish Sheriff is the ex-officio tax collector for the various taxing bodies within Jefferson Davis Parish, and the accompanying statements present information only on his activities as parish tax collector. Therefore, these financial statements are not intended to present fairly the financial position and result of operations of the Jefferson Davis Parish Sheriff in conformity with U.S. generally accepted accounting principles. Furthermore, the accompanying statements have been prepared on the basis of cash receipts and cash disbursements, which is a comprehensive basis of accounting other than U. S. generally accepted accounting principles.

In my opinion, the accompanying financial statements present fairly, in all material respects, the assets and liabilities arising from cash transactions of the Tax Collector Agency Fund of the Jefferson Davis Parish Sheriff as of June 30, 2001, and the collections, distributions, and unsettled balances of the Tax Collector Agency Fund for the year then ended, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, I have also issued my report dated December 21, 2001, on my consideration of the Jefferson Davis Parish Sheriff's Tax Collector Agency Fund's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants.



Certified Public Accountant

Jennings, Louisiana
December 21, 2001

JEFFERSON DAVIS PARISH SHERIFF
(As Ex-Officio Parish Tax Collector)
Jennings, Louisiana
TAX COLLECTOR AGENCY FUND

Statement of Assets and Liabilities Arising
From Cash Transactions
As of June 30, 2001

ASSETS

Cash	\$ 684,655
	<hr/>
Total Assets	\$ 684,655
	<hr/> <hr/>

LIABILITIES

Due to taxing bodies and others	\$ 41,012
Due to sheriff's general fund	16,594
Taxes and interest held under protest	<hr/> 627,049
	<hr/>
Total Liabilities	\$ 684,655
	<hr/> <hr/>

The accompanying notes are an integral part of this statement.

JEFFERSON DAVIS PARISH SHERIFF
(As Ex-Officio Parish Tax Collector)
Jennings, Louisiana
TAX COLLECTOR AGENCY FUND

Statement of Collections, Distributions, And Unsettled Balances
For the Year Ending June 30, 2001

UNSETTLED BALANCES AT JUNE 30, 2000	\$ <u>259,860</u>
COLLECTIONS:	
Ad valorem taxes	9,131,193
State taxes:	
Forestry tax	4,493
LTC Assessment Service Fee	3,479
Protested taxes	443,180
Interest earned on:	
Deposits, net	20,270
Delinquent taxes	18,309
State revenue sharing	644,643
Sportsman licenses	-
Parish licenses	141,854
Tax notices	22,201
Other	<u>-</u>
TOTAL COLLECTIONS	<u>10,429,622</u>
TOTAL AVAILABLE FOR DISTRIBUTION	<u>10,689,482</u>
DISTRIBUTIONS:	
Louisiana Department of Agriculture and Forestry	4,008
Louisiana Department of Wildlife and Fisheries	-
Louisiana Tax Commission	4,001
Jefferson Davis Parish:	
Police Jury	1,871,132
Drainage Districts	530,313
Library District	552,588
Mosquito District	757,740
Waterworks District	124,216
School Board	3,566,822
Assessment District	231,480
Sheriff Office	1,163,492
Municipalities	938,707
Pension Funds	248,258
Refunds	<u>12,070</u>
TOTAL DISTRIBUTIONS	<u>10,004,827</u>
UNSETTLED BALANCES AT JUNE 30, 2001	\$ <u><u>684,655</u></u>

The accompanying notes are an integral part of this statement.

JEFFERSON DAVIS PARISH SHERIFF
(As Ex-Officio Parish Tax Collector)
Jennings, Louisiana
TAX COLLECTOR AGENCY FUND

Notes to the Financial Statements

INTRODUCTION

As provided by Article V, Section 27 of the Louisiana Constitution of 1974, the sheriff is the ex-officio tax collector of the parish and is responsible for collecting and distributing ad valorem property taxes, parish occupational licenses, state revenue sharing funds, and sporting licenses.

The sheriff and ex-officio parish tax collector's office is located in the Jefferson Davis Parish Courthouse in Jennings, Louisiana. The sheriff employs four deputies in the tax department, whose responsibilities include the mailing of property tax notices to and collecting ad valorem property taxes from individuals, businesses, et cetera, who own real or movable property, subject to ad valorem taxation in the parish.

For the 2000 tax roll, there are 25,862 real property and movable property assessments totaling \$124,288,670 with homestead exemptions at \$ 31,064,835 representing 25 per cent and taxpayer taxable values at \$ 93,223,835 representing 75 per cent of the total roll.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accounts of the parish tax collector are established to reflect the collections imposed by law, distributions pursuant to such law, and unsettled balances due various taxing bodies and others. The accompanying financial statements have been prepared on the cash basis of accounting, with collections recognized when received and distributions reflected when paid. As such, the accompanying financial statements do not reflect the receivables and related payables associated with tax collection activities.

B. REPORTING ENTITY

The sheriff is an independently elected official; however, the sheriff is fiscally dependent on the Jefferson Davis Parish Police Jury. The police jury maintains and operates the parish court house in which the sheriff's office is located and provides funds for equipment and furniture of the sheriff's office. Because the sheriff is fiscally dependent on the police jury, the sheriff was determined to be a component unit of the Jefferson Davis Parish Police Jury, the financial reporting entity.

The accompanying financial statements present information only on the funds maintained by the sheriff relative to his responsibility as ex-officio parish tax collector and do not present information on the police jury, the general government services provided by that

JEFFERSON DAVIS PARISH SHERIFF
(As Ex-Officio Parish Tax Collector)
Jennings, Louisiana
TAX COLLECTOR AGENCY FUND

Notes to the Financial Statements

governmental unit, or the other governmental units that comprise the financial reporting entity.

Louisiana Revised Statute 24:13(K)(1)(b) requires the accounts of each parish tax collector to be audited annually. Accordingly, the accompanying financial statements reflect financial activity of the sheriff relating only to his responsibility as ex-officio parish tax collector. Amounts included in these financial statements are also included in the sheriff's annual general purpose financial statements.

C. CASH

State law authorizes the tax collector to deposit tax collections in a bank domiciled in the parish where the funds are collected. Furthermore, the tax collector may invest these deposits in certificates of deposit or other investments permitted by law.

2. CASH

At June 30, 2001, the tax collector has cash (book balances) totaling \$684,655 as follows:

Cash on hand	\$ 0
Demand deposits	0
Interest-bearing demand deposits	684,655
Certificates of deposits	0
Total	\$ <u>684,655</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At June 30, 2001, the tax collector has \$692,962 in deposits (collected bank balances). These deposits are secured from risk by \$100,000 of federal deposit insurance and \$592,962 of pledged securities held by the custodial bank in the name of the fiscal bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of

JEFFERSON DAVIS PARISH SHERIFF
(As Ex-Officio Parish Tax Collector)
Jennings, Louisiana
TAX COLLECTOR AGENCY FUND

Notes to the Financial Statements

being notified by the tax collector that the fiscal agent has failed to pay deposited funds upon demand.

3. STATE REVENUE SHARING FUNDS

The revenue sharing funds provided by Act 36 of 2000 were distributed as follows:

Jefferson Davis Parish:	
Police Jury	\$ 151,924
School Board	286,993
Library	31,708
Assessor's Office	10,000
Drainage districts	10,528
Sheriff	65,911
Municipalities	72,641
Pension funds	14,938
	<hr/>
Total	\$ <u>644,643</u>

4. TAXES PAID UNDER PROTEST

The unsettled balances due to taxing bodies and others in the agency funds at June 30, 2001, as reflected in the Statement of Assets and Liabilities arising from cash transactions, include \$606,868 of taxes paid under protest, plus interest earned to date on the investment of these funds, totaling \$ 20,181. These funds are held pending resolution of the protest.

**OTHER REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Honorable Richard Edwards, Jr.
Jefferson Davis Parish Sheriff and
Ex-Officio Parish Tax Collector
Jennings, Louisiana

I have audited the financial statements of the Tax Collector Agency Fund of the Jefferson Davis Parish Sheriff, a component unit of the Jefferson Davis Parish Police Jury, as of and for the year ended June 30, 2001, and have issued my report thereon dated December 21, 2001. I conducted my audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Jefferson Davis Parish Sheriff's Tax Collector Agency Fund's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Jefferson Davis Parish Sheriff's Tax Collector Agency Fund's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

This report is intended for the information of the Sheriff acting in his capacity as Ex-Officio Parish Tax Collector, management, and the Louisiana Legislative Audit Advisory Council. However, this report is a matter of public record and its distribution is not limited.



Certified Public Accountant

Jennings, Louisiana
December 21, 2001

JEFFERSON DAVIS PARISH SHERIFF
(As Ex-Officio Parish Tax Collector)
Jennings, Louisiana
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2001

Section I Summary of Auditor's Reports

1. The auditor's report expresses an unqualified opinion on the financial statements of the Jefferson Davis Parish Sheriff's Tax Collector Agency Fund as of and for the year ended June 30, 2001.
2. No reportable conditions concerning internal controls were disclosed during the audit of the financial statements as reported in the Independent Auditor's Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.
3. No instances of noncompliance material to the financial statements of the Jefferson Davis Parish Sheriff's Tax Collector Agency Fund, which would be required to be reported in accordance with Government Auditing Standards, was disclosed during the audit.
4. Reportable conditions in internal control over major federal award programs:
Not applicable.
5. The auditor's report on compliance for the major federal award programs:
Not applicable.
6. Audit findings relative to the major federal award programs:
Not applicable.
7. A management letter was not issued.
8. The programs tested as major programs included:
Not applicable.
9. The threshold used for distinguishing between Type A and B programs:
Not applicable.
10. Is the auditee qualified as a low-risk auditee, as defined by OMB Circular A-133?:
Not applicable.

Section II Financial Statement Findings

Current Year Findings

No findings to report.

Prior Year Findings

No findings to report.

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2001

Section III Federal Award Findings and Questioned Costs

No findings to report

JEFFERSON DAVIS PARISH SHERIFF
(As Ex-Officio Parish Tax Collector)
Jennings, Louisiana
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2001

<u>Ref. No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken (Yes, No, Partially)</u>	<u>Planned Corrective Action/ Partial Corrective Action Taken</u>
SECTION I - Internal Control and Compliance Material to the Financial Statements:				
99-1	6/30/99	Collection of delinquent insurance license taxes	Yes	The auditor's recommendation was adopted during the fiscal year ending June 30, 2001

SECTION II - Internal Control and Compliance Material to Federal Awards:

No findings reported.

SECTION III - Management Letter:

No findings reported.

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(As Ex-Officio Parish Tax Collector)
Jennings, Louisiana
Management's Corrective Action Plan for Current Year Audit Findings
For the Year Ended June 30, 2001

<u>Ref. No.</u>	<u>Description of Finding</u>	<u>Corrective Action Planned</u>	<u>Name(s) of Contact Person(s)</u>	<u>Anticipated Completion Date</u>
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SECTION I - Internal Control and Compliance Material to the Financial Statements:

No findings reported.

SECTION II - Internal Control and Compliance Material to Federal Awards:

No findings reported.

SECTION III - Management Letter:

No findings reported.